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MIKOHN.0156P

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Applicant : Terrance W. Oliver )  
Appl. No. : 10/751,614 )  
Filed : January 5, 2004 )  
For : INTELLIGENT CASINO CHIP )  
Examiner : Daniel A. Hess )

Group Art Unit: 3711

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June 1, 2006  
*C. Miller*  
Chad W. Miller, Reg. No. 44,943

APPEAL BRIEF TRANSMITTAL

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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

Transmitted herewith in triplicate is the Appeal Brief in this application, with respect to the Notice of Appeal filed on: March 31, 2006

The fee for filing this Appeal Brief is \$500 for which a check in the amount of the fee is enclosed. The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment to Account No.: 502200. A duplicate copy of this sheet is enclosed.

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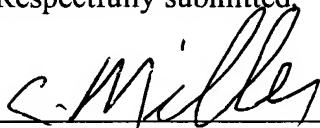
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**Appl. No.** : 10/751,614  
**Filed** : January 5, 2004

Respectfully submitted,

Dated: 6/1/06

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APPEAL BRIEF TABLE OF CONTENTS

I. REAL PARTY IN INTEREST.....	1
II. RELATED APPEALS AND INTERFERENCES .....	2
III. STATUS OF CLAIMS.....	3
IV. STATUS OF AMENDMENTS .....	4
V. SUMMARY OF CLAIMED SUBJECT MATTER.....	5
VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL.....	9
VII. ARGUMENT.....	10
IX. CLAIMS APPENDIX.....	26
X. EVIDENCE APPENDIX. ....	30
XI. RELATED PROCEEDINGS APPENDIX. ....	31



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**APPEAL BRIEF**

**I. REAL PARTY IN INTEREST**

The subject application is owned by, and the real party in interest is, the assignee of record, Progressive Gaming International Corporation (hereinafter Appellant).

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

## **II. RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences.

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

### **III. STATUS OF CLAIMS**

Claims 1-20 are cancelled.

Claim 21 is rejected and is subject to this appeal.

Claim 22 is cancelled.

Claims 23-24 are rejected and are subject to this appeal.

Claim 25 is cancelled.

Claims 26-28 are rejected and are subject to this appeal.

Claim 29 is cancelled.

Claims 30-40 are rejected and are subject to this appeal.

Summarizing, Claims 21, 23, 24, 26-28 and 30-40 are pending in the above-referenced application. In an action mailed November 2, 2005, the Examiner finally rejected all of the pending claims.

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

#### **IV. STATUS OF AMENDMENTS**

No amendments have been filed subsequent to the final rejection of November 2, 2005.

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

## **V. SUMMARY OF CLAIMED SUBJECT MATTER**

One approach that casino operators use to generate additional excitement and interest in their casino games is to offer promotions that award prizes such as meals or merchandise, or bonuses or progressives that distribute attractive payouts. One way to fund progressive payout pools for table games is through the use of an additional, incremental wager in addition to the conventional wager for that current game. Traditionally this has been done with separate wagers, in the form of betting chips, at separate betting locations on the table. In order to address the drawbacks of the traditional manner of taking separate incremental wagers, the inventor herein has conceived and implemented an intelligent casino chip which allows the casino to accept and recognize a separate incremental wager intermingled with a conventional wager on an existing discrete betting position.

It should be noted here that the specification describes two different types of chips. One type relates to a conventional chip as is known in the art. The other type relates to a non-conventional chip that is distinguishable by having different information encoded in its memory as compared with the conventional chip. The specification identifies the conventional chip as 210 and the non-conventional chip as 220. The specification specifically refers to the different types of chips as of a first class and a second class. In this Summary section when describing the subject matter of the claims, the numerals 210 and 220 are used in designating the conventional and non-conventional chips, respectively, and the references to a first class chip and a second class chip are used interchangeably as is allowable and appropriate.

The invention is defined in independent Claim 21 as a gaming chip 220 for use in a bet in a casino game. The gaming chip 220 comprises a transponder 230 as is illustrated in Figure 2



**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

and described in the specification at page 7, lines 9-15. The transponder 230 is provided with a memory 300, as shown in Figure 3 and identified at page 8, lines 6-7. The memory 300 has a data field 310 that has an encrypted identification identifying a first class for the gaming chip 220 (see Figure 3 and Specification page 8, lines 7-8; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract).

A game denominational value is contained in the transponder (see Specification page 7, line 30; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract). Advantageously, the encrypted identification described above differentiates the first class gaming chip 220 from at one least one other class of gaming chips 210 when the first class gaming chip and the at least one other class of gaming chips are intermingled within a bet (see Figure 2 and Specification page 8, lines 10-16; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract). In operation, the transponder 230 transmits the game denominational value and the identification in response to a received signal wherein each of the gaming chips 210 of the at least one other class includes a data field 310 within a memory 300 of the other class of gaming chips (see Figures 2 and 3 and Specification page 7, lines 14-27 and page 8, lines 10-16; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract).

The invention is described in independent Claim 27 as an apparatus for use in a bet in a betting area of a casino game. The apparatus defines the structure of the invention in terms of different classes of gaming chips. More particularly, the apparatus comprises at least one gaming chip 210 of a first class having a first transponder 230 containing at least value information (see Second Preliminary Amendment dated January 22, 2004, page 6, Amendments

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

to the Abstract). The apparatus further comprises at least one gaming chip 220 of a second class having a second transponder 230 containing at least value and class information, with each of the gaming chips being intermingled in the bet (see Figure 2 and Specification page 7, lines 9-15; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract). With this apparatus, the gaming chip 210 of the first class and the gaming chip 220 of the second class are configured to be read by a transceiver 240 in the vicinity near the betting area for transmitting and receiving signals to and from the first and second transponders 230, with the first transponder transmitting at least the value information and the second transponder transmitting the at least value and class information to the transceiver (see Figure 2 and Specification page 7, lines 16-24 and page 8, lines 10-16; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract).

Independent Claim 28 defines the invention as an apparatus for betting in an betting area of a casino game comprising at least one gaming chip 210 of a first class in the betting area having a first transponder 230 containing at least value information and at least one gaming chip 220 of a second class in the betting area having a second transponder 230 (see Figure 2 and Specification page 7, lines 9-15; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract). The gaming chip 210 of the first class and the gaming chip 220 of the second class are configured to be read by a transceiver 240 in a vicinity near the betting area for transmitting and receiving signals to and from the first and second transponders 230. The first class gaming chip 210 transmits primary signals identifying a value of the first class gaming chip to the transceiver 240 and the second class gaming chip 220 transmits secondary signals identifying a value and class of the second class gaming chip to the transceiver, the

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

secondary signals differentiating the second class gaming chip from the first class gaming chip (see Figure 2 and Specification page 7, lines 16-24; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract).

Independent Claim 36 defines the invention as a gaming chip 220 for use in a casino game, with the casino game associated with a promotion. The gaming chip 220 comprises a transponder 230 and a memory 300 located in the transponder (see Figures 2 and 3 and Specification page 7, lines 9-15 and page 8, lines 6-7 and page 9, lines 22-25). Promotion information is encoded into the memory 300 in the transponder 230, the transponder transmitting the promotion information in response to a received signal to differentiate the gaming chip 220 associated with the promotion from other gaming chips intermingled within the bet (see Figure 3 and Specification page 7, lines 9-14 and page 9, lines 22-25; Second Preliminary Amendment dated January 22, 2004, page 6, Amendments to the Abstract).

Appl. No. : 10/751,614  
Filed : January 5, 2004

## **VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

There is one ground of rejection presented for review:

Whether Claims 21, 23, 24, 26-28 and 30-40 are unpatentable under 35 U.S.C. § 103 over U.S. Patent No. 5,166,502 to Rendleman et al. in view of U.S. Patent No. 6,059,659 to Busch et al.

Appl. No. : 10/751,614  
Filed : January 5, 2004

## VII. ARGUMENT

There are four factual inquiries that must be made in determining patentability under 35 U.S.C. § 103:

- A) determining the scope and content of the prior art;
- B) ascertaining the differences between the prior art and the claims in issue;
- C) resolving the level of ordinary skill in the pertinent art; and
- D) evaluating evidence of secondary considerations.

Graham v. John Deere, 383 U.S. 1, 148 USPQ 459 (1966) (hereinafter Graham).

When applying 35 U.S.C. § 103 in ascertaining obviousness, the following tenets of patent law must be adhered to:

- 1) the claimed invention must be considered as a whole;
- 2) the references must be considered as a whole and must suggest the desirability and thus the obviousness of making the combination;
- 3) the references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention; and
- 4) reasonable expectation of success is the standard with which obviousness is determined.

Hodosh v. Block Drug Co., 786 F.2d 1136, 1143 n.5, 229 USPQ 182, 187 n.5 (Fed. Cir. 1986) (hereinafter Hodosh).

The procedural approach of examination within the U. S. Patent and Trademark Office mandates that the Examiner must establish *prima facie* obviousness with a factual basis to support that conclusion. The Examiner must meet three basic criteria in order to properly

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

establish a *prima facie* case of obviousness. First, there must be some suggestion or motivation, either in the cited references or in the knowledge generally available to one of ordinary skill in the art, to modify or combine the references to produce the claimed invention. Secondly, there must be a reasonable expectation of success. Finally, the prior references must teach or suggest all of the claimed limitations. Importantly, the teaching or suggestion to make the claimed combination, as well as the reasonable expectation of success, cannot be based on the Applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ 2d 1438 (Fed. Cir. 1991) (hereinafter Vaeck).

Against this instructional framework, it is respectfully submitted that the Examiner has erred in rejecting the claims on appeal as being unpatentable under 35 U.S.C. § 103 over U.S. Patent No. 5,166,502 to Rendleman et al. (hereinafter Rendleman et al.) in view of U.S. Patent No. 6,059,659 to Busch et al. (hereinafter Busch et al.).

#### First Vaeck Requirement - Rejection As Applies to All Claims

Considering the first Graham inquiry in view of the first two Hodosh tenets, it is apparent that the Examiner has not established an adequate factual basis for the desirability of combining Rendleman et al. and Busch et al. to support his contention that the combination renders obvious the claims on appeal. The scope and content of Rendleman et al. and Busch et al., both individually and in combination, when considering the references as a whole, do not teach or suggest melding the content of the Rendleman et al. and Busch et al. disclosures to apply against the claims on appeal.

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

Appellant's invention is directed in its various forms to a gaming chip, individually and as used as an apparatus in a betting system, that has a transponder configured to send and receive signals from a transceiver system. The transponder comprises a data field that includes both denominational and other class information. It is important to note that the problem confronting the inventor was differentiation in classes of gaming chips when intermingled in a bet. As used in the claimed apparatus having different classes of chips, one class of gaming chip is the conventional denominational chip. The second class of gaming chip is contemplated as having a combination of a denominational value (monetary amounts) and a non-denominational value (identifying a progressive bet or for use in promotional purposes whereby the player could win a prize such as a free meal, free accommodations, a cash prize or merchandise). See Specification page 7, line 29 – page 8, line 5. In one contemplated use, both classes of chips are intermingled in a stack without regard to ordering or separation (see Specification, page 8, lines 20-22). An important result of the present invention, as specifically identified and contemplated by the inventor, is that the gaming chips may be placed in the same betting area which eliminates the need for separate progressive betting areas and separate progressive bet readers, such as a chip reader (see Specification page 8, line 23 – page 9, line 3). The impropriety of the combination proposed by the Examiner in support of the obviousness rejection of the claims on appeal becomes clear against the backdrop of the problem addressed by the present invention as just described.

The Examiner cites Rendleman et al. for the disclosure of an electronic gaming chip having a transponder with identifying information thereon. The Examiner recognizes that Rendleman et al. fails to show a second class of chip. Rendleman et al. simply discloses a

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

gaming chip having an encoded electronic device that provides security, tracking, sorting and identification information. See Rendleman et al., column 2, lines 53-56. It is of further interest to note that the inclusion of the encoded electronic device is minimized in the Rendleman et al. disclosure as a part of the invention. See Rendleman et al. column 2, lines 56-61. While this does not eliminate the teaching of an encoded electronic device as part of the Rendleman et al. gaming chip, it clearly negates the existence of any suggestion or motivation for its use as a reference against the claims on appeal. In any event, as stated earlier, the Examiner has correctly recognized that Rendleman et al. does not disclose a second class of gaming chip.

The Examiner then proposes to combine the teachings of Busch et al. in an attempt to supply the missing teaching regarding a second class of gaming chip. A close reading of this reference leads to a clear conclusion that it is improperly used in the combination to support the obviousness rejection in the present case.

Busch et al. teaches a roulette game where a player makes one bet using denominational chips in a conventional game on a conventional roulette layout and a separate non-intermingled bet using denominational chips in a progressive game on a separate progressive layout. As clearly illustrated in Figures 1 and 2, Busch et al. shows two distinct betting areas, a conventional betting layout (208 in Figures 1 and 8 in Figure 2;) and a progressive jackpot betting layout (214 in Figure 1 and 14 in Figure 2). The associated text further describes this circumstance (see column 5, lines 48-44; column 7, lines 17-34; column 7, lines 45-52; column 10, lines 4-7; column 10, lines 19-27). Thus, there is no teaching or suggestion of a single betting location where an intermingled bet may be made. In fact, Busch et al. is replete with passages describing the separate acts of placing a bet on the conventional betting layout and



**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

another bet on the progressive jackpot betting layout. See Busch et al. column 6, lines 22-32; column 7, lines 34-40.

In contrast to the present invention obviating the need for human intervention to differentiate between the classes of gaming chips, Busch et al. teaches interaction with a dealer who must receive a separate progressive jackpot betting chip and/or register the placement of a gaming chip on the progressive jackpot betting layout by the player. See Busch et al., column 6, lines 32-43; column 6, lines 61 – column 7, line 17; column 10, lines 28-37. Busch et al. additionally describes an embodiment in which a progressive gaming ship is inserted into a slot (218 in Figure 1) as has been conventional in the prior art (see Busch et al, column 6, lines 44-60).

This is precisely the scenario that the inventor aims to eliminate. More specifically, the problem addressed by the present invention has successfully resulted in a gaming chip, as well as an apparatus in which the gaming chip is used, where the chip can be differentiated in an intermingled bet.

The entirety of the Busch et al. disclosure described above leads to an unmistakable conclusion that Busch et al. teaches away from the present invention and thus cannot provide the missing teaching of Rendleman et al. When considering a prior art reference as a whole, consideration must also be given to portions that teach away from the claimed invention. See, e.g. W.L. Gore & Assoc., Inc. V. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983). In view of the Busch et al disclosure described above, there is no suggestion, teaching or motivation directed to the desirability of providing the Busch et al. progressive wager chip with a

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

transponder and electronic circuitry as taught by Rendleman et al. to facilitate progressive betting. Thus the only reasonable conclusion with regard to the source of the motivation for the combination proposed by the Examiner is within the disclosure of the present application. This is an exercise of impermissible hindsight. See *id.* (“To imbue one of ordinary skill in the art with the knowledge of the invention ... , when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher”).

A review of the chronology and character of the examination further supports the proposition that the Examiner has used hindsight in proposing the rejection that is the subject of this appeal. More particularly, in the first Office Action communicated in the case, dated September 22, 2004, the Examiner reported his position that five claims, including one of the two independent claims in the case, were allowed and two additional claims were allowable, subject to rewriting them to overcome indefiniteness issues. The reasoning given by the Examiner for the allowable subject matter is as follows:

Each of the [allowable] claims deals {sic} includes or depends on a claim that includes, differentiation of chips that have essentially been grouped together by a user in a single bet. This is a change from prior art systems where side-bets (i.e. progressive bets) have been kept distinct by being in a separate pile. Having progressive bets and primary bets together in the same pile is something that has essentially only been enabled by the instant invention, as far as the examiner is aware. Office Action dated September 22, 2004, page 4, last paragraph. The Applicant responded, primarily by making dependency changes, to advance the case in what he believed was a manner to place the case in condition for allowance. Subsequently, the Examiner issued

**Appl. No.** : 10/751,614  
**Filed** : January 5, 2004

an additional Office Action in which he stated that his position had changed and that at that point all of the claims were rejected. Importantly, no new references were applied against the claims to support the change in position.

Appellant credits the Examiner for taking the time to carefully consider the application, but it is believed that in doing so, the Examiner has used the disclosure of the present application to impermissibly influence his conclusion relating to the rejection of the pending claims. While all forms of hindsight are difficult to avoid, the procedural character of this application trumpets the conclusion that the Examiner has crossed the line into the realm of using impermissible hindsight by using the present disclosure rather than proper objective evidence to support his conclusion of obviousness.

This fatal mistake in the procedural posture of the examination process is augmented by the fact that there is no motivation to combine the references cited by the Examiner in support of his rejection. Obviousness can only be established by combining prior art references where there is some suggestion, teaching or motivation to do so. It is critical in finding the required motivation that objective evidence be relied upon rather than subjective conclusions. Appellant asserts that the Examiner has reached the result of combining the references using subjective reasoning rather than objective facts.

There are two flaw lines that extend from the Examiner's assertions. One follows from the Examiner's conclusory statement that the extension of Rendleman et al.'s ability to distinguish between denominations of chips can be extrapolated to the distinguishment of classes of chips by a "simple" (Examiner's characterization) software modification. The other relates to

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

the comments flowing from the Examiner's recognition of the prior art necessity to keep progressive bets in a side pile. Each flaw line exhibits the Examiner's venture into the shoes of the inventor, which leads to the inescapable conclusion that he has engaged in impermissible hindsight using the teachings of the present invention to reach his position on the ultimate conclusion of obviousness.

The Examiner begins his justification regarding the combination of Rendleman et al. and Busch et al. as follows:

In view of Busch et al.'s teaching, it would have been obvious to one of ordinary skill in the art at the time the invention was made to accommodate Rendleman et al.'s chip technology to Busch et al.'s "progressive chips" because that way the house can have an easier time managing many complex side-bets.

Office Action dated November 2, 2005, page 5, third full paragraph. There is nothing within the four corners of either Rendleman et al. or Busch et al. that remotely suggests the management of complex side-bets as a concern to be addressed. Plainly, the only source of this concern, and its subsequent novel solution is the application at issue. To the extent that this leads the Examiner to a conclusion of obviousness, this is impermissible hindsight.

In his following sentence, the Examiner states:

**Appl. No.** : 10/751,614  
**Filed** : January 5, 2004

Capability to distinguish among chips is already present, as evidenced by distinguishing among chips of different denominations. Simply adding to this ability to distinguish among different types of chips involves only software and no hardware changes.

Office Action dated November 2, 2005, page 5, third full paragraph. It is respectfully submitted that these statements, without more, do not provide adequate legal support that leads to an ultimate conclusion of obviousness. The ease with which a change may be made in modifying the subject matter of one reference by the teachings of another is irrelevant when there is no objective suggestion or motivation to modify the references as proposed. The only source that can be found in the record for a motivation to modify the references to achieve the inventor's intelligent chip capable of distinguishing between different classes is the present application.

Following the sections quoted above from the Office Action dated November 2, 2005, the Examiner states:

As to the limitation of intermingling various classes of chips in the same bet, the Examiner notes that the need to keep progressive bets in a side pile is largely due to an inability to distinguish among chips, which is not a problem with electronic chips, which can easily be distinguished from one another. One would have been motivated to intermingle such various chips in the same bet to save table space, which is valuable when there are many players who wish to play.

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

Office Action dated November 2, 2005, page 4, fourth full paragraph. Here again, there is no evidence in the record regarding a need to confront this problem. The Examiner has continued to step into the shoes of the inventor and uses the disclosure associated with the present application with hindsight to formulate this analysis against the inventor, which is, as stated earlier, prohibited.

The Examiner's statements are nothing more than conclusory assertions in the nature of common sense or common knowledge. There is no factual source cited for the motivation to combine the cited references. The legal failure in this approach is addressed by In re Zurko, 258 F.3rd 1379, 59 U.S.P.Q.2d 1693. A conclusion of obviousness founded upon an assertion of common sense was reversed, the court saying:

With respect to core factual findings in a determination of patentability ... the Board cannot simply reach conclusions based on its own understanding and experience – or on its own assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.

Id., 243 F.3rd at 1386, 57 U.S.P.Q.2d at 1697. The legal posture in that case, the Federal Circuit panel reviewing facts and conclusions by the Board, instructs on how the Board must review the facts and conclusions of the Examiner in this case. The Examiner has apparently

Appl. No. : 10/751,614  
Filed : January 5, 2004

based his decision on basic knowledge or common sense instead of concrete evidence, and the Board cannot sanction this approach.

In summary, the Examiner has not properly established a *prima facie* case of obviousness with a satisfactory showing that there is a suggestion, teaching or motivation to combine Rendleman et al. and Busch et al. to justify the proposed rejections. The Examiner has used impermissible hindsight and subjective reasoning rather than objective facts to reach a conclusion of obviousness. Accordingly, the rejections proposed by the Examiner cannot stand.

#### Third Vaeck Requirement

#### Rejection As Applied to Claims 21, 23, 24, 26, 27 and 30-40

It is a fundamental axiom of patent law that all limitations are important in judging patentability of a claim against the prior art. See In re Wilson, 424 F.2d 1382, 165 USPQ 494 (CCPA 1970). The first Hodush tenet instructs that the claimed invention must be considered as a whole. The “as a whole” analysis comprises consideration of the problem solved by the invention and how the solution is embodied in the claims. In the present case, the specification particularly identifies the problem and presents the novel solution conceived by the inventor of a chip that differentiates between two classes of gaming chips that are intermingled within a single discrete betting area. See, Specification, page 1, lines 10-13; page 4, lines 2-6. This stated use has substantive meaning as recited in the claims. This limitation is in all but one of the claims (Claim 28) on appeal, either directly or through dependency. The Examiner only explains his consideration of this limitation with the conclusory statement regarding the previous inability to

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

distinguish among chips as discussed above. This conclusory statement does not rehabilitate the failure of either Rendleman et al. or Busch et al. to remotely suggest the intermingling of gaming chips in a bet. In fact, Busch et al. comprehensively describes the prior art situation of having progressive side bets in a location separate from conventional bets. As such, Busch et al. does nothing to identify the problem addressed by the inventor herein and therefore teaches away from the claimed invention. It thus follows that the combination of Rendleman et al. and Busch et al. does not teach or suggest this limitation, which the combination must do to support the conclusion of obviousness.

It is significant that this limitation has been recognized as defining a distinction not shown in the prior art. The Examiner initially stated this recognition in the first Office Action as discussed above. Furthermore, in a related case from which the current application claims priority (Application U.S. Serial No. 09/167,847, now U.S. Patent No. 6,186,895) with claims directed to methods employing the chips and apparatus of the present invention, the examiner in that case accepted this patentable distinction and offered that as reasoning for allowance in the Statement of Reasons for Allowance. This is of record in the present case as Exhibit A to the Second Preliminary Amendment and included herein in the Evidence Appendix. While the examiner in the parent case did not consider Busch et al., she did consider a total of 32 references, including Rendleman et al. It is respectfully submitted that Busch et al. is no more relevant to the limitation regarding intermingling of bets than the many references considered by the examiner in the parent case.



**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

Rejection As Applied to Claim 28

Among other limitations, Claim 28 recites that the first class gaming chip transmits primary signals identifying a value of the first class gaming chip to the transceiver. Furthermore, the claim recites that the second class gaming chip transmits secondary signals identifying a value and class of the second class gaming chip to the transceiver, such that the secondary signals differentiate the chips as being of a first class and a second class. In as much as the first class gaming chip transmits value information as described, and the second class gaming chip transmits value and class information as recited, and that the signals distinguish the chips as of different classes, the primary and secondary signals are necessarily different types of signals.

There is nothing in the cited references that meet the recited limitation. Rendleman et al. suggests a singular signal having casino designation, denominational value, serial number and date of issue. There is no teaching regarding different types of signals differentiating between different classes of chips. Busch et al. does not supply the missing teaching, as it does not disclose the use of electronic chips. Thus, Claim 28 is patently distinguishable over the combination of Rendleman et al. and Busch et al.

Rejection As Applied to Claims 31-32

Dependent Claims 31 and 32 depend from Claim 27. As such, they also include the limitation regarding the intermingling of chips within a bet and are therefore patentable over the combination of Rendleman et al. and Busch et al. for the reasons stated above with respect to

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

Claim 27. Claims 31 and 32 have a further independent basis for procedural and substantive consideration beyond that discussed above.

Claim 31 recites that the value and class information contained in the second transponder as described in its preceding independent Claim 27 identifies a player using the second class casino chip. Claim 32 recites that the value and class information contained in the second transponder as described in its preceding independent Claim 27 identifies a player using the second class casino chip as qualifying for both a live card game and a progressive game.

There is simply no teaching or suggestion in Rendleman et al. or Busch et al., alone or in combination, regarding the identification of a player and/or the identification of a player as qualifying for both a live card game and a progressive game. The Examiner apparently recognizes this fatal deficiency in view of his reference to U. S. Patent 5, 735, 742 to French (hereinafter French) in the discussion of Claims 31 and 32 (see Office Action dated November 2, 2005, paragraph bridging pages 5 and 6). Regardless of whether French stands for the propositions asserted by the Examiner, he has not relied on or applied French as a basis for supporting the rejection of Claims 31 and 32 (see id., page 4, last full paragraph, stating the rejection of all of the pending claims). Since there is no disclosure in Rendleman et al. and Busch et al. that meets the specific limitations in Claims 31 and 32, the Examiner must do more than make conclusory statements about what the prior art shows with a passing reference to French. The Examiner must follow proper procedure by formally applying French in the rejection.

Appl. No. : 10/751,614  
Filed : January 5, 2004

Summary

Neither Rendleman et al. nor Busch et al., alone or in combination, teach or suggest all of the limitations as recited in the claims on appeal. For this reason, the Examiner has failed to establish a *prima facie* case of obviousness.

Appl. No. : 10/751,614  
Filed : January 5, 2004

Closing

Appellant requests allowance of all the pending claims for the reasons provided above.

Respectfully submitted,

Dated: \_\_\_\_\_

6/1/06

By: \_\_\_\_\_



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**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

### **VIII. CLAIMS APPENDIX**

21. A gaming chip for use in a bet in a casino game, the gaming chip comprising:  
a transponder;  
a memory located within the transponder;  
a data field in said memory, wherein an identification identifying a first class for the gaming chip is located in said data field;  
a game denominational value contained in the transponder;  
wherein the identification differentiates the first class gaming chip from at least one other class of gaming chips when said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet, the transponder transmitting said game denominational value and said identification in response to a received signal, wherein each of said gaming chips of said at least one other class includes a data field within a memory of said other class of gaming chips.

23. The gaming chip of claim 21 wherein said identification is encrypted.

24. The gaming chip of claim 21 wherein said identification identifies said gaming chip as a progressive wager.

26. The gaming chip of claim 21 wherein said gaming chips of said at least one other class do not include a data field.

27. Apparatus for use in a bet in a betting area of a casino game, the apparatus comprising:

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

at least one gaming chip of a first class having a first transponder containing at least value information;

at least one gaming chip of a second class having a second transponder containing at least value and class information, when said at least first class gaming chip and said at least second class gaming are intermingled within said bet;

wherein said gaming chip of said first class and said gaming chip of said second class are configured to be read by a transceiver in a vicinity near said betting area for transmitting signals and receiving signals to and from said first and second transponders, the first transponder transmitting at least said value information and said second transponder transmitting at least said value and class information to said transceiver.

**28. Apparatus for betting in a betting area of a casino game, the apparatus comprising:**

at least one gaming chip of a first class in said betting area having a first transponder containing at least value information;

at least one gaming chip of a second class in said betting area having a second transponder containing at least value and class information;

wherein said gaming chip of said first class and said gaming chip of said second class are configured to be read by a transceiver in a vicinity near said betting area for transmitting signals and receiving signals to and from said first and second transponders, wherein said at least one first class gaming chip transmits primary signals identifying a value of said at least one first class gaming chip to said transceiver, and wherein said at least one second class gaming chip transmits secondary signals identifying a value and class of said at least one second class gaming chip to said transceiver, said secondary signals differentiating said at least one second class gaming chip from said at least one first class gaming chip.

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

30. The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies said second class casino chip as a progressive wager.

31. The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies a player using said second class casino chip.

32. The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies a player using said second class casino chip as qualifying for both a live card game and a progressive game.

33. The apparatus of claim 27 wherein said value and class information in said second transponder includes a denominational value.

34. The apparatus of claim 27 wherein said value and class information contained in said second transponder include a non-denominational value.

35. The apparatus of claim 34 wherein the non-denominational value is a promotional prize and the class is a promotion.

36. A gaming chip for use in a casino game, the casino game associated with a promotion, the gaming chip comprising:

a transponder;

a memory located in the transponder;

promotion information encoded into the memory in the transponder, the transponder transmitting said promotion information in response to a received signal to differentiate the

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

gaming chip associated with the promotion from other gaming chips intermingled within said bet.

37. The gaming chip of claim 36 wherein the promotion information is a progressive game.

38. The gaming chip of claim 36 wherein the promotion information is a bonus game.

39. The gaming chip of claim 36 wherein the promotion information includes a promotional prize.

40. The gaming chip of claim 36 wherein the gaming chip is visually indicated as special.



**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

## **IX. EVIDENCE APPENDIX**

The Evidence Appendix includes the Second Preliminary Amendment in thirteen pages submitted on January 22, 2004 and subsequently entered by the Examiner before the first Office Action in the case. Of particular relevance in this document are Exhibit A and Exhibit B attached thereto and the comments related the exhibits in the Remarks section that discuss the previous favorable disposition of method claims in two related cases (resulting in U.S. Patent No. 6,186,895 and U.S. Patent No. 6,685,564) reciting limitations comparable to those in the instant case.



Docket No. 1482/132(d)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In Re: Patent Application of  
Terrance W. Oliver

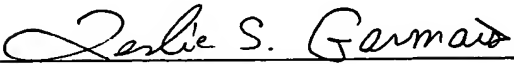
Serial No.: 10/751,614

Filed: January 5, 2004

For: INTELLIGENT CASINO CHIP  
(Title as Amended Herein)

Certificate of Mailing

I hereby certify that this paper or fee is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service, under 37 CFR 1.10 on the date indicated below addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450.

  
Leslie S. Garmaise, Reg. No. 47,587

EL 968826788 US  
"Express Mail" Label Number

January 22, 2004  
Date of Deposit

**SECOND PRELIMINARY AMENDMENT**

Mail Stop Patent Application  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Dear Sir:

Prior to the first Office Action, please amend the above-identified application as follows:

**Amendments to the Title:**

~~INTELLIGENT CASINO CHIP SYSTEM AND METHOD FOR USE THEREOF~~

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

Claims 1-20 (canceled)

Claim 21 (new): A gaming chip for use in a bet in a casino game, the gaming chip comprising:

a transponder;

a memory located within the transponder;

a game denominational value contained in the transponder;

an identification identifying a first class for the gaming chip, the identification stored in the memory, the identification differentiating the first class gaming chip from at least one other class of gaming chips when said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet, the transponder transmitting said game denominational value and said identification in response to a received signal.

Claim 22 (new): The gaming chip of claim 21 wherein the memory within said transponder comprises:

a data field, said identification located in said data field.

Claim 23 (new): The gaming chip of claim 21 wherein said identification is encrypted.

Claim 24 (new): The gaming chip of claim 21 wherein said identification identifies said gaming chip as a progressive wager.

Claim 25 (new): The gaming chip of claim 21 wherein each of said gaming chips of said at least one other class includes a data field within a memory of each said gaming chip.

Claim 26 (new): The gaming chip of claim 21 wherein said gaming chips of said at least one other class do not include a data field.

Claim 27 (new): Apparatus for betting in a casino game, the apparatus comprising:  
at least one gaming chip of a first class having a first transponder containing at least value information;

at least one gaming chip of a second class having a second transponder containing at least value and class information.

Claim 28 (new): The apparatus of claim 27 wherein said at least one first class gaming chip transmits primary signals identifying a value of said at least one first class gaming chip, and wherein said at least one second class gaming chip transmits secondary signals identifying a value and a class of said at least one second class gaming chip, said secondary signals differentiating said at least one second class gaming chip from said at least one first class gaming chip.

Claim 29 (new): The apparatus of claim 28 wherein said secondary signals differentiate said at least one second class gaming chip from said at least one first class gaming chip while said at least one first class gaming chip and said at least one second class gaming chip are intermingled within a single bet.

Claim 30 (new): The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies said second class casino chip as a progressive wager.

Claim 31 (new): The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies a player using said second class casino chip.

Claim 32 (new): The apparatus of claim 27 wherein said value and class information contained in said second transponder identifies a player using said second class casino chip as qualifying for both a live card game and a progressive game.

Claim 33 (new): The apparatus of claim 27 wherein said value and class information contained in said second transponder includes a denominational value.

Claim 34 (new): The apparatus of claim 27 wherein said value and class information contained in said second transponder includes a non-denominational value.

Claim 35 (new): The apparatus of claim 34 wherein the non-denominational value is a promotional prize and the class is a promotion.

Claim 36 (new): A gaming chip for use in a casino game, the casino game associated with a promotion, the gaming chip comprising:

- a transponder;

- a memory located in the transponder;

- promotion information encoded into the memory in the transponder, the transponder transmitting said promotion information in response to a received signal.

Claim 37 (new): The gaming chip of claim 36 wherein the promotion information is a progressive game.

Claim 38 (new): The gaming chip of claim 36 wherein the promotion information is a bonus game.

Claim 39 (new): The gaming chip of claim 36 wherein the promotion information includes a promotional prize.

Claim 40 (new): The gaming chip of claim 36 wherein the gaming chip is visually indicated as special.

### Amendments to the Abstract:

Please replace the abstract with the following amended abstract:

An intelligent casino chip. ~~chip system. At least one gaming table is provided with at least one discrete player area. Each player area has a discrete betting area. Two classes of intermingled gaming chips are accepted in a stack in the discrete betting area. The gaming chip of the first class, comprising the primary wager, has a first transponder containing at least value information. The gaming chip of the second class, comprising the secondary wager, has a second transponder containing value and class information. A transceiver system located on the gaming table within the vicinity of the betting area is used to receive value signals from the first transponder and transponder value and class signals from the second transponder. These signals are conveyed to a computer system that then determines a primary wager value of the primary wager based on the value signals from the first transponder. The computer system also determines the secondary wager value as distinct from the primary wager value based on the value and class signals from the second transponder. Thus, the computer is provided with the respective wager values and the distinct class of the secondary wager when the primary wager and the secondary wager are intermingled within the discrete betting area.~~ At least one gaming chip of a first class has a first transponder containing at least value information. At least one gaming chip of a second class has a second transponder containing at least value and class information. Different signals from the different classes of casino chips differentiate the chips from one another even when intermingled within a single bet.

## **REMARKS**

### **New Title:**

The title has been amended to more accurately describe the present invention.

### **Changes to the Claims:**

Claims 1-20 are canceled, and new claims 21-40 have been added. The new claims are fully supported by the specification of the parent application. No new matter has been added.

### **Patentability of the New Claims:**

For the Examiner's convenience, a comparison is provided below between limitations in the current claims and those discussed in the reasons for allowance for two applications to which the current application claims priority: Application Serial No. 09/167,847 (the '847 application) and Application Serial No. 10/244,244 (the '244 application).

Independent claim 21 and its dependent claims 22-26 recite "an identification identifying a first class for the gaming chip, the identification stored in the memory, the identification differentiating the first class gaming chip from at least one other class of gaming chips while said first class gaming chip and said at least one other class of gaming chips are intermingled within said bet." The reasons for allowance for Application Serial No. 09/167,847 (hereafter the '847 reasons for allowance, attached hereto as Exhibit A) indicate that "[t]he closest prior art of record neither renders obvious nor anticipates a method and device for differentiating two separate values in intermingled first and second classes of casino chips . . . ." Claim 21 is directed to the gaming chip itself rather than a "method" or "system" for differentiating different classes of chips. The preservation of the recited differentiation of different classes of chips makes claim 21 and its dependent claims patentable over the prior art for the same reasons stated in the '847 reasons for allowance in connection with the patentability of the claims of the '847 application.

Independent claim 27 and its dependent claims 28-35 recite the limitations "at least one gaming chip of a first class having a first transponder containing at least value information; at least one gaming chip of a second class having a second transponder containing at least value and class information." The limitations of claim 27 track the limitations quoted on pages 2-3 of the '847 reasons for allowance (Exhibit A) which recite



"primary signals containing value information" and "the secondary signals containing value and identity information." Therefore, claim 27 and its dependent claims are patentable over the prior art for the same reasons provided in the '847 reasons for allowance for patentability of the claims of the '847 application.

Independent claim 36 and its dependent claims 37-40 define the limitations "a transponder; a memory located in the transponder; promotion information encoded into the memory in the transponder, the transponder transmitting said promotion information in response to a received signal." The reasons for allowance for Application Serial No. 10/244,244 (hereafter the '244 reasons for allowance, attached hereto as Exhibit B), in explaining the allowance of the claims in the '244 application, recites that "the method comprises providing a special casino chip that has a promotion encoded onto its transponder . . . , reading the promotion from the transponder of the special casino chip in the computer system when the special casino chip is placed on the table during play of the live casino card game, determining whether the scheduled time event exists in response to reading the promotion, and enabling the player to participate in the promotion when the scheduled time event is determined to exist." Thus, the patentable features relating only to the casino chip set forth in the '244 reasons for allowance are recited in claim 36. Claim 36 and its dependent claims are patentable over the prior art for the reasons articulated in the '244 reasons for allowance in connection with the patentability of the claims of the '244 application.

**New Abstract:**

An amended abstract is presented herein to better reflect the subject matter of this application. No new matter has been added.

**Conclusion:**

Based on the foregoing, all pending claims are believed to be in condition for allowance, and Applicant respectfully requests that the instant case be passed to issue. Should you have

any questions regarding the above, please feel free to give the below-listed attorney a call. If additional fees are required, please debit our Deposit Account No. 04-1414.

Respectfully submitted,

DORR, CARSON, SLOAN, BIRNEY & KRAMER, P.C.

Date: 1-22-2004

By: Leslie S. Garmaise

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(303) 333-3010

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Art Unit: 3713

### DETAILED ACTION

1. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Robert Dorr on 10-09-00.

2. The application has been amended as follows: Claim 1, line 4 insert "located" after the word "chips" and before the word "on". Also, regarding claim 6, line 4 after the word "chip" insert "located on a single wagering area" and regarding claim 6, line 6 insert "located on a single wagering area" after the phrase "second class casino chip".

#### *Allowable Subject Matter*

#### *Reasons for Allowance*

3. The following is an examiner's statement of reasons for allowance: The closest prior art of record neither renders obvious nor anticipates a method and device for *differtiating two separate values in intermingled first and second classes of casino chips*, comprising the steps of:

receiving primary signals from a first transponder embedded in at least one casino class chip *in the intermingled casino chip located on a single wager area*, the primary signals containing value information and

Art Unit: 3713

receiving secondary signals from a second transponder embedded in at least one second class casino chip *in the intermingled casino chips on the single wagering area*, the secondary signals containing value and identity information.

The closest prior art of record (French et al. '548) is only capable of reading of the value of each chip in a stack of chip, not the reading of the value of each chip intermingled.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

### ***Conclusion***

2. Any inquiry concerning this communication or earlier communications from the examiner should be directed to S Clayton whose telephone number is (703) 305-0124. The examiner can normally be reached Monday-Friday from 9:30am-6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's primary can be reached at (703) 308-2217.

*S Clayton*  
SC  
10-09-00

VALENCIA MARTIN-WALLACE  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3700

Art Unit: 3713

### REASONS FOR ALLOWANCE

1. The following is an examiner's statement of reasons for allowance:

Prior arts of record does not disclose a method of promoting play of a live casino card game during a scheduled time event in which the live casino card game has a computer system for reading the monetary values from transponders in casino chips placed as wagers on a table of the live card game, the method comprises providing a special casino chip that has a promotion encoded into its transponder to the player, reading the promotion from the transponder of the special casino chip in the computer system when the special casino chip is placed on the table during play of the live casino card game, determining whether the scheduled time event exists in response to reading the promotion, and enabling the player to participate in the promotion when the scheduled time event is determined to exist.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

2. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kim Nguyen whose telephone number is (703) 308-7915. The examiner can normally be reached on Monday-Thursday from 8:00AM to 5:00PM ET. The central official fax number is (703) 872-9306.

Application/Control Number: 10244244

Page 3

Art Unit: 3713

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-1148.

kn

Date: October 24, 2003



**KIM NGUYEN**  
**PRIMARY EXAMINER**

**Appl. No. : 10/751,614**  
**Filed : January 5, 2004**

**X. RELATED PROCEEDINGS APPENDIX**

There is no Related Proceedings Appendix to be presented as part of this appeal.